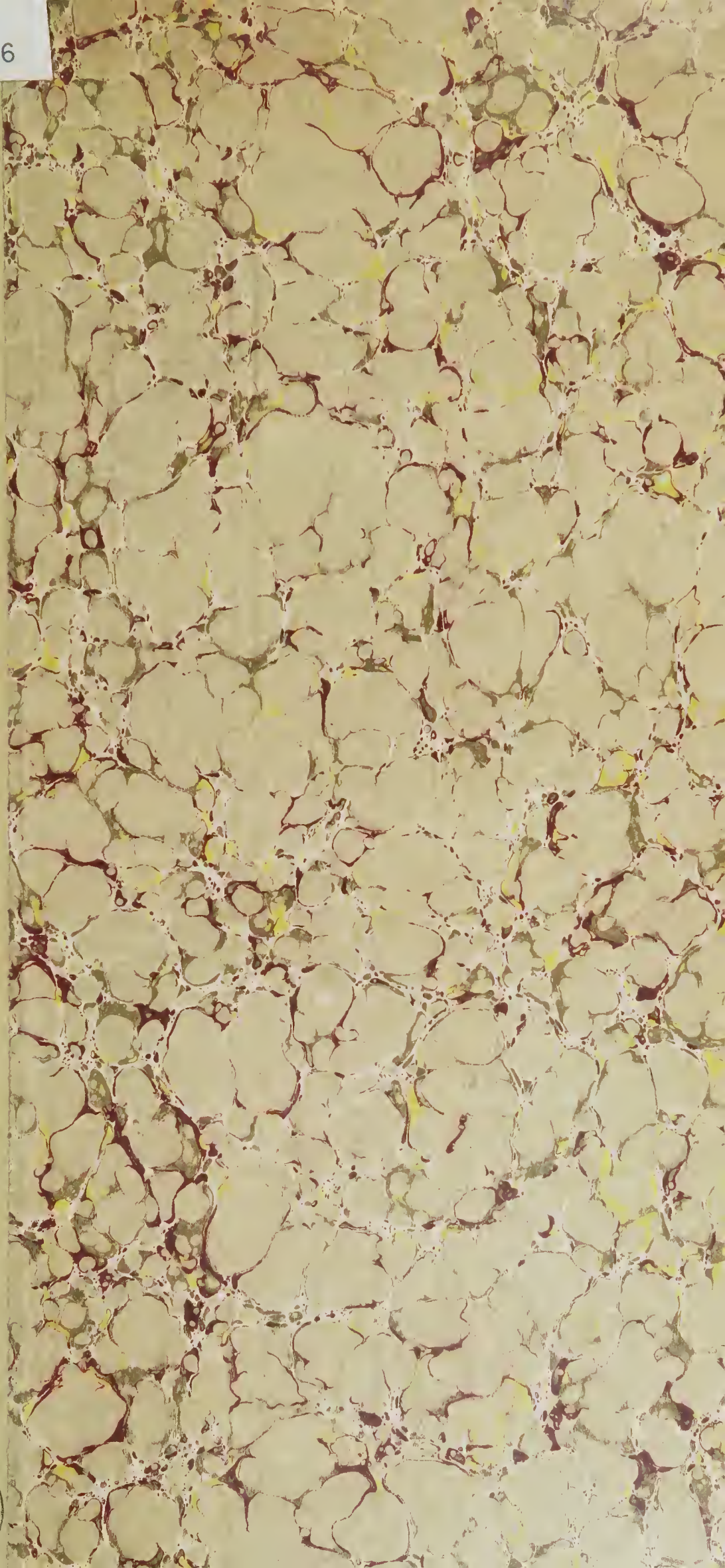


Indian Services and the Depreciation of the Republic

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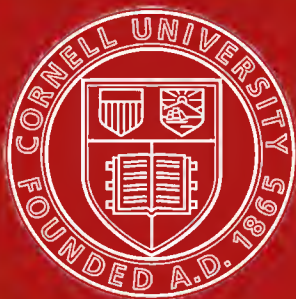
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# The Indian Services and the Depreciation in the Rupee.

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## STATEMENT.

1. The steady fall in the gold value of the rupee, the coin in which Indian salaries and absentee allowances are paid, has lessened the incomes of the Europeans engaged in the Civil and Military Services of the Government of India by forty per cent., and reduced nine-tenths of them to a state of embarrassment, painful to themselves and injurious to the efficiency of the administration. That matters have gone to an extent justifying the above statement will be made clear in the following argument. The Viceroy of India has stated that "the Indian Government was convinced that it could not ask public servants to tolerate for an indefinite period the distress borne with so much self-command for some time past." Lord Roberts, the Commander-in-Chief in India, has shewn his sense of the evils arising out of the heavy sacrifices demanded from the many hundreds of British-born officers under his command, by presenting to the Viceroy a memorial on their behalf, asking that "an early step" should be taken to remove the grievance. The highest officials in India are expressing their anxiety about the demoralisation which must result from the virtual pauperisation of the European Services.

2. The object of this Statement is to set forth clearly,—

- I.—The number and importance of the classes affected ;
- II.—The extent and bearing of the injury inflicted on them ;
- III.—The effects of the injury on the morale and efficiency of the administration ; and
- IV.—The urgency of providing an adequate relief.

### I.

3. The European servants of the Government of India include the Covenanted Civilians, from among whom are chosen the highest governing, legislative, and administrative officers; the officers of the Army; the large class of European officials who are employed in the Judiciary, Magistracy, the Foreign, Educational, Public Works, Accounts, Police and other departments. Roughly speaking there are 3,150 Military Officers and Doctors ; 950 Covenanted Civilians ; 50 Judicial Officers ; 200 Clergymen,

and 1,500 officials formerly classed as Uncovenanted, or nearly 6,000 persons, including many of the highest literary and scientific training, whose case is here pleaded. All these persons, constituting the backbone, intellectual, moral and physical, of British rule in India and Burma, are now being paid their salaries and absentee allowances in rupees, which have depreciated from the long-ruling average rate of two shillings to about 1s. 2½d. The majority of those who are suffering from this enormous reduction entered the service of the Indian Government under a well-founded belief on their own part and that of the Government that the two shilling rate would be approximately maintained. Various circulars and advertisements of the Secretary of State and the Civil Service Commissioners can be produced by such officers, in which the salaries promised were stated in terms of the pound sterling to ten rupees. Men who joined since 1872, knowing that the rupee had become of an inconstant value, have nevertheless been painfully affected by the steadiness with which it has declined from year to year, as the following table giving the market and official rates will show :—

Years	Highest	Lowest	Official rate	Years	Highest	Lowest	Official rate	Years	Highest	Lowest	Official rate
	s. d.	s. d.	s. d.		s. d.	s. d.	s. d.		s. d.	s. d.	s. d.
1871—72	1 11 8	1 10 3	1 11	1878—79	1 8 3	1 6 3	1 9	1885—86	1 7 8	1 5 8	1 7 4
1872—73	1 11 3	1 10 3	1 11 ½	1879—80	1 8 3	1 7	1 7 ½	1886—87	1 6 ½	1 4 8	1 6 ½
1873—74	1 11 1	1 9 ½	1 11	1880—81	1 8 3	1 7 ½	1 8 ½	1887—88	1 5 ½	1 4 ½	1 6
1874—75	1 11	1 9 ¾	1 10	1881—82	1 8 1	1 7 ½	1 8	1888—89	1 4 ½	1 4 8	1 5
1875—76	1 10	1 9	1 10 1	1882—83	1 8 1	1 7 ½	1 8	1889—90	1 5 ½	1 4 ½	1 4 ½
1876—77	1 10	1 6 ½	1 9 ¾	1883—84	1 8	1 7 ½	1 7 ¾	1890—91	1 9 1	1 4 ½	1 5
1877—78	1 10	1 8 ½	1 9 ½	1884—85	1 7 ½	1 6 ¾	1 9 ½	1891—92	1 5 ½	1 3 ½	1 6 ½

The official rate for 1892—3 was 1s. 4¾d., but the rupee went down to 1s. 2½d.

4. A few examples of the results of this fall in the gold value of the rupee on the salaries of officers in medium positions will illustrate the extent of the loss on their incomes, taking the rupee at 1s. 2d. :—

Appointments	Salary per mensem	Equivalent in Sterling per annum		Loss per annum
		At 2s.	At 1s. 2d.	
	Rupees	£	£	£
Superintendent of Stamps and Stationery ... ..	1,400	1,680	980	700
Senior Chaplain ... ..	800	960	560	400
Joint Magistrates and Deputy Collectors, 1st grade ... ..	900	1,080	630	450
Deputy Magistrates, 4th grade ... ..	500	600	350	250
District Superintendent of Police, 3rd grade ... ..	700	840	490	350
Judges, 3rd grade ... ..	600	720	420	300
Staff Corps—Lieut.-Colonel ... ..	827	994	581	413
Major ... ..	640	768	448	320
Captain ... ..	374	448	261	187
Lieutenant ... ..	226	270	157	113
Assistant Adjutant-General ... ..	500	600	350	250
Public Works Department (Railways) :				
Traffic, Class I., 1st grade ... ..	1,600	1,920	1,120	800
2nd „ ... ..	1,350	1,620	945	675
3rd „ ... ..	1,100	1,320	770	550
Forests, Assistant Conservator, 1st grade ... ..	450	540	315	225
2nd „ ... ..	350	420	245	175

5. In the ordinary conditions of European life the fact of a depreciation so extreme in the realisable value of the salaries assigned by any government to its servants would afford just grounds for an appeal for some compensatory relief. But the conditions of service for Englishmen in India are not ordinary conditions. They leave their own country and people to live in an unhealthy climate among millions of a different race. The living is expensive because there are needs in dress, food and other necessities which can only be supplied from Europe—which moreover have to be paid for in gold. The average European, if his physical and mental qualities are not to deteriorate, is forced to take periodic furlough in temperate climes, at a heavy cost for passage money and other incidental expenses. If married, his wife must have similar change: his children must be sent home to the more bracing air of Europe, and to secure the benefit of European education. It is clear that the class of men who are fit to be charged with the responsibility for the administration and defence of India, must be given sufficient advantages as to pay and retiring allowances, to induce them to undertake a service carried out under such conditions.

6. This the Government of India recognised, as did the old East India Company, in fixing the remuneration of its European servants. The recognition was forced upon them alike by policy and necessity. Salaries were adjusted to the conditions of tropical life and to the object of securing a superior class of men, and the scale now in operation was fixed on the basis of 2s. to the rupee. Furlough regulations were expressly designed as much for the advantage of the administration as of the European servants. Salaries and allowances were moreover scaled at rates which would place beyond reach of corruption officials scattered among three hundred millions of natives, often occupying posts of extreme responsibility, in situations affording peculiar temptations and facilities for corrupt practices. It may be said that there are many positions held by Civil or Military officers in India in which it is not only possible for them to obtain private advantages and profits, but wherein the opportunity will be even pressed upon them.

7. Recognising the grave danger of a corrupt administration the Government regulations are of a drastic severity. Indian officials are strictly forbidden to endeavour to add to their salaries, by embarking in speculative investments. Since the time of Lord Clive, the principle has been enforced, even when salaries have been put on a reduced scale, that the amount shall be fixed and certain, in order to compensate for the disadvantages of exile and the perils of an unhealthy climate, and also to remove every temptation to corrupt practices. An uncertain salary obviously promotes embarrassments which tend to weaken the resistance to temptation. The Government has frequently insisted that its servants shall live within their incomes. They are removable from their offices if they lose their independence by getting into debt. During the last twenty years, while the rupee has been falling in value, the Indian



Government has issued repeated warnings threatening severe penalties on officials who should endeavour to supplement their incomes by taking part in the management of public companies or by speculating in stocks or shares. The Government has stated that it looks upon frequent purchases and sales as presumptive evidence of speculation.

8. The motive for this severity of system is not merely administrative—it is political: and it is manifest that it can only be effectively vindicated at a considerable expense. A cheap administration in India can neither be pure nor strong. The considerations above stated become more important every day as improved administration develops new wants, and our Indian fellow-subjects come to regard every man and every measure with more critical eyes.

## II.

9. Most serious are the evils likely to accrue to the officials themselves from the sacrifices they have been and are being forced to make. The depreciation in the rupee has been going on steadily for twenty years, and part of the anxiety caused by the existing state of affairs among the servants of the Crown in India is that the consequences of their increased losses from year to year have gone on aggravating their situation, until in many cases a point of poverty has been reached which menaces a widespread demoralisation. Men who have to meet the obligations to their families at home are known to be now living in India under circumstances which are physically, and must be to some extent morally injurious. A few typical cases, well authenticated, may be cited as concrete examples.

10. Taking first the Military Department, one sample of many cases submitted to the Secretary of State may be given. It is that of a Surgeon-Colonel of the Indian Medical Service, an important administrative charge. This gentleman entered the Service in the year 1866, when the rupee stood at 2s. Since the rupee began to decline he calculates his loss of income as aggregating over 25,000 rupees on his home remittances alone. The loss has been so great that, as he declares in a memorial to the Government, “he has barely the pay of a subaltern to live on, though he has done 25 years’ service in India, and has risen to the higher ranks.” He has been entitled for some years past to furlough, but “it has been impossible for him to avail himself of it.” Latterly he has only been able to carry on with the help of a gift of £300 from his father; “and this,” he adds, “though I have nothing to complain of in the way of promotion or appointments—simply a large family to support and educate at home. I don’t gamble, and am in no way extravagant. Long service in India means the survival of the fittest, and men entering the Indian Services were justified,



if they survived, in looking forward to some little savings to settle down on, whereas if the average Indian servant can, in these days, keep out of debt, he is lucky." The humiliation of such a position as that described by this gentleman is not its worst feature from an administrative point of view.

11. Next may be cited the case of an officer in the Education Department, the Principal of a Government College, which is the chief educational establishment of four large districts embracing a population of 7,000,000. It is a necessary condition of his work that he should have a house and also keep a horse and carriage, unless he is to be killed by sunstroke in going to and from his work. This gentleman, of excellent acquirements, as his position proves, had in 1872 the head-mastership of a public school in England, which with his pupils brought him in over £400 a year. He saw an advertisement in the *Times* stating that an appointment in the — Education Department was vacant. The advertisement stated that the pay was "Rs.500, nominally £600 per annum." On inquiry at the India Office he was told that he would be eligible for higher appointments as vacancies occurred, with salaries ranging from Rs.800 to Rs.2,200 per mensem. After twenty years' service he is in receipt of Rs.1,000 a month. Out of this in 1891-92 he paid—taxes, Rs.360; remittances to his family at home, Rs.6,636 (producing only £400 instead of £660); and Insurance and Pension Fund subscriptions, Rs.1,464. This leaves him a balance of Rs.3,540, or Rs.295 a month to live upon with his house, servants, horse and carriage.

12. Another example may be taken from the higher Military ranks, and from it may be judged how much more heavily the shrinkage of incomes must bear on officers of lower rank—majors, captains, and subalterns. It is that of a Colonel in the infantry who is a Deputy Adjutant-General, who entered the service in 1852 when the rupee was over two shillings. He writes:—

"Take my own case as an illustration of the hardship of the present exchange. I am remitting now for the support and education of my family £700 a year. This costs at the rate of 1s. 2½d., Rs. 11,586. But at the rate prevailing when I entered the service the £700 would only have cost Rs.6,930. That is, I am paying annually Rs.4,656 for difference in exchange. Is not this cruel? A Staff Corps Captain's pay is Rs. 374 a month, or Rs.4,488 a year; so that I am losing in exchange in one year more than what the State pays for the services of a commissioned officer of the rank of captain. . . . We Indian officers are not unreasonable. We know that Government is hit quite as hard as we are by this exchange; but all we ask is for *some* relief from a position which, if it does not land us in actual bankruptcy, still has the effect of pinching us to an extent which deprives us of those comforts that are essential to the maintenance of vigorous life in the tropics."

13. The next case is taken from the Police, and may be given in the officer's own words:

"I entered the — Police Service on the 1st January 1867, when the rupee was worth 2s. In 1872 my pay was Rs.500=£50 a month. I am now, after twenty-six years' blameless service, holding the onerous post of Personal Assistant to the Inspector-General of Police in — on Rs.1,000 a month (inclusive of personal allowances), which, converted into

English money, is equivalent to about £61. In 1872 I was a bachelor. Now I have a wife and four children in England!

"I submit that my present scale of remuneration is not commensurate with the duration or value of my services or the important position I am holding. It is not what I was led to expect or what Government intended I should have. My actual loss in home remittances during 1892 amounted to Rs. 3,144. As a purely monetary loss this is serious enough. But it must be remembered that that sum represents the difference between £75 and £45 (a month)—what my family ought to have had and what they actually received. How much temporary inconvenience and privation it has cost them, and what irreparable harm the loss of £30 a month means to them! My own allowance in this most expensive town is Rs. 250 a month.

"Thanks to the Uncovenanted Service leave Rules I have never had a single day's furlough in all my service. After twenty-six years' uninterrupted work, I find all the disabilities of those Rules intensified by exchange, *e.g.* :—

	Rs.
Half average allowances . . . . .	400
Less Income Tax . . . . .	11
Less Pension Fund . . . . .	75
	<hr/>
Available balance . . . . .	<u>314</u>

"Furlough allowance, £20 a month!

"I can only assure you the burden of such grievances is intolerable. It cannot be expected of any man that he should perform his daily task with such cares on his mind, and the shadow of wrong and ruin and suffering across his path."

14. Another officer in the Police who is on leave contributes the following memorandum :—

"Entered 1878, my pay was 200 rupees a month				
In	1879	"	400	"
In	1882	"	500	"
In	1887	"	700	"
In	1889	"	600	"

and is the same to date. The increase in 1887 was through being temporarily engaged by the Government of India.

"In 1887 or 8, under advice of a Finance Commission, it was decided by the Government to replenish the somewhat impoverished resources of the Empire by appropriating a certain amount of the pay of its Police officers. But for this the figure opposite 1889 would be 700. Were I in India now, I should be in Police charge of a District of between 8,000 and 9,000 square miles, but should be about £60 per annum poorer than I was ten years ago, through the fall in exchange. I should be in charge of the most difficult District (I know this) and paid less than I was ten years ago when a young assistant.

I took furlough in 1891, which, through my ill-health, was converted into sick leave.

"Furlough half-pay first nine months about	...	£66 a quarter
" " next six " "	...	£59 "
After that quarter-pay, and to date " "	...	£29 "

my pay now being, in fact, 146 rupees and odd annas. Income tax, which I pay to this day, has been deducted.

"In an editorial the other day, *The Daily Telegraph* gravely asserted that the European in India was unaffected by exchange unless he remitted

money to England. The writer's ideas of cause and effect must be crude. Need I say there is nothing consumed or used by the European in India which is not increasingly dearer through the fall in exchange? Even the water for his bath is dearer, for wages being higher it costs more to have it brought. If I landed in India to-morrow I should have to buy *horses* before or immediately after joining my appointment, and I should pay much more for them than I would have had to pay before. Australian dealers who could sell a £40 horse for 550 rupees, must now get nearly or quite 800 rupees. Then the shopkeepers would soon remind me that, exchange being lower, their goods are dearer. And so on. It is impossible to show the *innumerable ramifications of effects caused by the lowering of exchange*. But I will add one obvious effect. *It blocks promotion*. Men in the senior posts of my service, having to remit largely to England, think they cannot afford to retire until they are entitled to the maximum pension; so they stay on and on, until they reach the age of 55, when they must leave the Police service. The innumerable evils through promotion being blocked need not be commented on. Injuries to the individual who suffers directly, injuries to the service he belongs to, to the Government, the public, and the country. Great evils. But they are part of another story."

15. Another case is that of an Executive Engineer, first grade, in the Railway Branch of the Public Works Department. He was induced in 1870, being a fully qualified Civil Engineer, who had been offered a good appointment elsewhere, to enter into a covenant with the Secretary of State by a prospectus issued from the India Office. This prospectus held out certain prospects of promotion and certain emoluments, actually equated at 10 rupees to the pound sterling. In 1871, after this gentleman had joined the Service, the Secretary of State (without any reservation of the rights of men who had been induced to enter the Indian Service under the above representations sanctioned by himself) issued a circular which, in the case of this memorialist, has evidently been given an *ex post facto* application. That circular abrogated the rule by which for many years the rate for the conversion of the rupee into sterling had been fixed at 2s., and announced that the Secretary of State would in future fix the rate annually. Though this gentleman has in the last twelve years been promoted from the rank of Executive Engineer, 4th grade, to that of Executive Engineer, 1st grade, the respective emoluments of which grades are Rs. 650 and Rs. 950 per month, he is practically, so far as the gold value of his salary is concerned, no better off than he was twelve years ago, though with rise in position expenses naturally increase. His family consists of a wife and three children. He has had to spend £1,350 of his private means to keep going, and he sums up his position in these terms: "With exchange as it is your petitioner will be unable to continue his daughter's education, and sees no prospect in future of being able to re-visit England."

16. There is no necessity for multiplying these examples. They sufficiently indicate the widespread extent of the calamity which has befallen the entire body of Europeans in the Indian Service. They tell a tale of suffering calmly endured and of heroic devotion on the one hand to the family, on the other hand to the Government these men are serving, which

has allowed such things to go on without the slightest effort at relief, until they have become intolerable. But the following extract from an article published some time ago adds a certain pathetic interest to the facts which have been presented above without any appeal to sympathy :—

“Now here before us is a letter written by a public servant in India, the tone of which strikes anything but agreeably on the ear, while the pathos is deep and powerful. And we would say, ‘British papers, please copy.’ For there are some things in the experiences and treatment of men whose service to their country, if quiet and undistinguished, is not wanting in the element of heroism, of which the public knows nothing and ought to be informed. The writer is a gentleman who was in the Indian Navy, and has served over twenty years as an officer in the Police of India :—

“‘Till this year (he writes) I had one year’s leave only in twenty-eight years’ service. The rupee has diminished in value, and as I have been endeavouring to do my duty to my children and give them the benefit of a decent education in England, I have for years suffered, as you can imagine. Going out in March, 1858, I had my first leave home in 1874—ten months in England. This year I have come home for six months—not having seen some of my children for eleven years. It does not sound nice, does it? Well, it does not feel so—of course they did not know me.

“‘To enable me to come at all I had to do what I never expected. I had to go and return second class (P. and O.) and went down to Bombay from up country *third class*. I have lots of leave due, but can’t afford to take it, and am compelled to return to duty in order that I may meet the calls on my purse for the education of my children, and this just at a time when a father’s presence is so necessary to them. During the time I have been at home I have been losing at the rate of about £110 to £120 in exchange, and now I go back with but small hope of ever being able to return to my native land. For even when I am able to retire (and Government can hold on to me for over twelve years more if it seems to them good), I, like many others, will find that the pension I shall get will be so small that, when paid in England at the exchange of 1s. 4d. (or perhaps 1s.!)<sup>\*</sup> it will be utterly impossible to live on it in England. So I shall be compelled to remain in India; of course it is impossible to save any money.

“‘You may ask why I tell you all this. Well, I scarcely know—perhaps just to show you to what straits men holding the position of gentlemen have come. I do not blame the Government of India. That Government is the greatest sufferer of all from this dreadful rupee. I see no way out of it; only it is crushing the life and the heart out of many of us.

“‘Don’t please think I am either an extravagant or a grumbling man. I am not the one, having lived most economically all my life, and I don’t want to be the other.

“‘We don’t think much of travelling *third class* in England. I, of course, never travel anything else. But not many men of my social position have done it in India, *and I don’t like it*. If the present state of things continues, we shall have to do a good many things *third class*. But I trust we shall, from the highest of all motives, always keep the performance of duties out of that.’

“There is nothing unmanly, and much that is tragic, in the tone of this simple statement. The long separation from those who are at once the brightness and the hope of a good man’s home—the ‘home’ itself non-existent or a mockery—the painful isolation, with a continual struggle to meet the growing wants of a family, whom he cannot see, or caress, or guide, who ‘do not know him’ when they meet—the hopelessness ‘of ever being able to return to his native land’—and the still greater hopelessness of any change in the prospect, all this is deeply heart-stirring. Certainly ‘it does not sound nice!’ It does not *feel* nice to an Englishman to read that among that picked handful of his countrymen who govern India for England, of whom it is the custom to speak with pride as constituting a body of administrators unparalleled for energy and probity in the history of any nation, there should be men driven to such straits as this honest gentleman here describes, because the Government stands on strict legality, and pays him his promised stipend in a currency so depreciated as to make all the difference between adequacy and the *res angustæ*. It does *not* sound nice, and very few Englishmen or Englishwomen have ever heard of it.”

The writer of that letter went back to his work in India, only to break down under the accumulated sacrifice and worry of such a life as he therein

<sup>\*</sup> Since the above was written, thanks to the recommendation of a Select Committee of the House of Commons which sat in 1890, the Secretary of State fixed the rate for payment of pensions for European Civil officers (not Civilian) at 1s. 9d. to the rupee; and it is solely owing to that change in the rules that the writer of the letter in the text has been able to retire.

depicted, with nothing more to show for all his years' service than a small pension, and a letter from the Lieutenant-Governor of his Province, saying, "*I can ill afford to spare my best Police officer.*"

17. The examples above cited indicate pretty clearly how this grievous fall in their income is bearing on the men themselves, and throw a light on the despondency which it is generating among those particularly who occupy the medium and lower posts ; that is, the large majority both in the Army and the Civil Service. In the Army, the officers complain that, whereas the scale of pay now in effect for officers of all ranks was originally based upon the rates of pay granted to corresponding ranks in the British Service, *plus* certain extra allowances which were granted as some compensation for the vicissitudes and special expenses inseparable from life in India for Europeans, those rates have been practically reduced about 30 to 40 per cent., and yet the officers are expected to keep up the same mode of life and meet the same class of regimental expenses as their brother officers in the British Army—or indeed even more per man, for the regiments in the Indian Army have only about one-third the number of European officers from whom to levy contributions which are required in British regiments, either in Cavalry or Foot.

An effective statement bearing out the facts cited in the above paragraphs was presented to the Viceroy of India by an influential deputation representative of the Civil and Military Services, which was received by His Excellency at Calcutta on January 31st in this year. The Statement is given in the Appendix (p. 15).

18. It is sometimes alleged by critics of these complaints of the Indian Services that, if the relative gold value of the rupee has diminished, its purchasing power in India has not appreciably changed. Passages in some of the letters above quoted show that this is not the case, and the Services distinctly challenge the correctness of that allegation. A calculation in the Financial Department, made from returns from Bombay stations, shows that the cost of milk has risen 31 per cent., beef 30, mung dal 25, wheat flour 24, potatoes 18, ghi 12, fowls 8, mutton 4, and gram and rice 6 per cent., in the last twenty years. A steady rise began in 1885, when a rapid fall occurred in silver. These rates apply to the whole of India. In their statement to the Viceroy the Services put the case in this way:—

"Since 1886, when the depreciation in silver became acute, there has been a sharp and rapid rise in the price of almost all articles in India, including food, in the wages of servants, and in house-rent. In the same period the retail price of goods imported from Europe, on which a portion of our salaries is spent, has also risen largely from the same cause ; and the prices paid for them increase with each successive fall in exchange."

19. To sum up the effect on the Indian public servants themselves :—

1. They are obliged in many cases to forego their furlough, and the consequent physical and mental relaxations which a change to Europe offers over-worked officials after long residence in the tropics. This is not only because by taking furlough they lose the benefit of such pay as is available in India, but because the limited absentee allowances are paid to them at the official rate of exchange, fixed for 1893-4 at

1s. 2 $\frac{3}{4}$ d., which reduces the income at home to a sum inadequate to meet the expenses of the homeward voyage and residence in England. Medical and official opinions are agreed as to the personal deterioration and often fatal injury which are not seldom incurred by those who cannot take advantage of leave to Europe. The consequences, as concern the efficiency of the Imperial Service, are referred to below (III.)

2. The depreciating value of the rupee has introduced into their family arrangements and economy an element of uncertainty which frustrates all their plans for the maintenance and education and starting in life of their children. It paralyses their efforts to make provision for the future, and in most cases obliges them to encroach on whatever funds they may have saved up or acquired. There is, as will hereafter be seen, an immense evil and some danger in a situation in which several thousand *employés* in an Oriental country are thus affected.

3. Many of these Civil and Military Officers—particularly in the lower posts—are compelled to subject themselves to great privations in order to keep out of debt. A very large number are already heavily handicapped by debts incurred in the expectation that the rupee would in due time begin to recover its former value ; an idea which must to some degree have been encouraged by the inaction of the Government in regard to the Currency question. The cases show that these privations are, in the greater number of instances and chiefly, due to that special condition and drawback of service in India, which has been already referred to—the necessity of paying a large proportion of the family expenses in England in gold.

4. Not merely is the abandonment of the necessary furlough a cause of suffering and depression, but, as the Deputy Adjutant-General in the statement above quoted puts it, even men of long service and good position are “pinched to an extent which deprives them of those comforts which are essential to the maintenance of vigorous life in the tropics.”

### III.

20. The dangers to the *morale* and efficiency of the Indian Services present and future of the state of things above described are readily appreciable by anyone who takes the trouble to think about it, but perhaps not so completely by those who have no personal relations with India as to enable them fully to realise all that they imply of danger to our administration in that country.

21. It must be assumed that the people and Parliament of the United Kingdom desire that India should continue to be governed and administered on civilised English principles, and that the relapse of India into the condition it was in during the eighteenth century cannot be thought of or tolerated. This assumption involves the consequence that a large body of trained European governors, soldiers, administrators, and departmental

officials must be maintained. However largely advantage may be taken of the various and growing abilities of the native races, British government cannot exist without Britons to govern. The external defence of the empire against foreign enemies, its internal defence from the jealousies and animosities of countless races and religions, and its commercial, educational, material and moral development, rest on the maintenance of efficient English government. So, also, it is important to note, does that confidence on the part of British capitalists in imperial stability which leads them to invest in the Indian funds and in railway, commercial, and other enterprises. Ever since the time of Lord Cornwallis the truth has been accepted as axiomatic that the Indian Government, in order to secure efficient and trustworthy servants, must pay them with reasonable liberality. Men do not go to India for the benefit of their health. It is a long time since they went there as public servants to make their fortunes. Starved and underpaid services will be recruited from the dregs of the British supply of educated young men ; and these young men, after a few years of cheerless struggle in an Indian climate, separated from all that they care for, will infallibly sink into a condition of indolence, discontent, and inefficiency.

21*a*. For many years past nine-tenths of the Indian services have been in a position to say, like Sir Henry Lawrence, "We have tried to do our duty." Duty, it may truly be said, has been the Anglo-Indian religion. But it is impossible for men who are harassed night and day by the thoughts of suffering families and the thousand ills resulting from pecuniary want to devote themselves to duty with that single-heartedness which is the pride of the Anglo-Indian services. It is even now difficult ; it will be more difficult hereafter, unless some remedy is applied. The old ideal may soon be lost and the very effort of duty may be wanting. Second, and second only, to external defence against armed foes, the greatest need of India is good government. Can good government be got from inferior men, weary, disheartened, and disgusted? Does the Government of India, does the Secretary of State, does the Parliament of the United Kingdom recognise the fact that the good government of India by able, zealous, and trustworthy men, superior to all forms of corruption, direct or indirect, is infinitely more important than the construction of any railway, road, canal, school, telegraph, hospital or college? "The Public Services in England are a small matter ; but in India they are everything. England governs itself ; India is governed. The demoralisation of the public services, even in the former, would be a great evil ; but in the latter it would be fatal."

21*b*. The political and economic aspects of the apparently secondary question discussed in this Statement are therefore of first importance. Even from the purely financial point of view the decadence of the Indian European services involves incalculable loss. In the Public Works Department alone, mere slackness and want of zeal will cost the State millions of hard money. If such slackness and want of zeal have not already invaded the Department, human nature in India must be different from what it is



elsewhere. The same proposition holds good in every department of the administration—in the Military and Marine, in the Customs and Excise, the Public Accounts, the Police, and all the rest.

22. These are general considerations, but not the less weighty for all that. More precise and direct consequences can be foreseen—are in process of evolution. First may be noted one immediate effect: the reduction of salaries means a loss to the Indian Exchequer and a loss to administrative efficiency. It increases the home charges; it diminishes the reserve of administrative experience. For every man in the Civil Service or Staff Corps who can do so retires the moment his service for pension is up, and becomes chargeable on the Pension List. It is not worth while to live in India for the sake of the one-and-twopenny rupee. India loses the experience of her best Civil and Military officers at the moment when it is most valuable. Men who, like the Covenanted Civilians, have gold pensions, are retiring faster on account of the fall in exchange.

23. That is one consequence. Another is pointed at in the case cited in paragraph 14. In some of the other less well-paid departments the effect is the other way. It blocks promotion. "Men in the senior posts of my service, having to remit largely to England, think they cannot afford to retire until they are entitled to the maximum pension; so they stay on until they reach the age of 55, when they must leave the Police service. Injurious to the individual who suffers directly, injurious to the service he belongs to, to the Government, the public, and the country."

24. Inquiry will bring out the fact that all the local Governments in India are alarmed at the prospect of Civil Servants retiring at middle-age in order to obtain a pension payable in gold and avoid the expenses they are put to in keeping up two establishments. The swollen Pension Lists will give not more anxiety to the higher authorities than the loss of men retiring in their prime and depriving India of its most experienced administrators.

25. A distinguished Civilian in one of the Presidencies writes as follows:—

I am now at home on ——— months' furlough, which may be extended. I have completed 25 years' service, including 21 years' actual residence in India, and am entitled to retire on a pension of £1,000 a year if I wish to do so. I have been a District Judge in ——— for more than 10 years on a salary of 2,300 rupees a month. My furlough allowance is half my salary converted into sterling at the official rate of exchange; but subject to a maximum of £1,000 a year. When I last took furlough in 1885 my half salary at the then rate of exchange exceeded £1,000 a year, and accordingly I was then limited to the maximum. Now, after seven years more service and when I am nearly at the top of the list, I find that my furlough allowance at the present (official) exchange rate of 1s. 4 $\frac{3}{4}$ d. is more than £30 a year below the maximum; and from 1st April next it is almost certain to be very considerably reduced, and will probably not exceed £850 a year. I am then confronted with this question—Will it not be better for me to retire on £1,000 a year; or should I return to India before the expiry of my leave to make the most I can out of a rupee worth 1s. 2 $\frac{1}{2}$ d.? If I go back my net pay will be Rs. 2,100 (or about £127) a month, out of which I would

have to remit home one half—say £60 a month—for the support of my family, which would leave me £67 a month to keep up the position of a Judge in India. I am afraid I shall have to adopt the alternative of retiring.

“My case is not a peculiar one. It is the case of every Collector and Judge in India of similar standard. A Collectorate or a Judgeship is the highest post to which the average Civilian can aspire. . . . Mr. — is also on furlough now. He has 22 years’ service; but owing to an exceptional block his promotion has been abnormally slow. He has only just got his *pucka* Collectorate, and his furlough allowance is only £600 a year. I got my Judgeship at about the normal period; but I am worse off now as regards furlough allowance than I was seven years ago.”

26. To the highest Indian authorities, on whom lies the burthen of governing that great Empire, such a statement as this is full of significance, and by them at least the momentous consequences it involves are fully and anxiously appreciated. Not only does the state of things therein depicted threaten the extraction during the next few years of the backbone of Indian administration, but the wide diffusion through the press of such facts, proving that a career in the Indian Service under existing conditions holds out, even to the higher aspirants, prospects of trial and disappointment, and to those in medium and lower positions absolute privation and suffering, must inevitably deter those classes of men whom the Government has hitherto obtained from entering the Services. To present deterioration will therefore be added a more serious decadence of administrative spirit and capacity in the future.

27. This is a matter of vital importance at a time when there is a growing interest at home in Indian affairs, and a desire to apply new principles to Indian administration; while the advancing education and increasing wealth and population of that country require greater efforts and call for higher abilities in the staff which has been termed the “only permanent official element in India.” The importance of recruiting the Civil Service with reference to the maintenance of English principles and methods of government was emphasised in the Secretary of State’s despatch No. 104, dated 12th September, 1889:—

“It is not surprising that the Commission should have arrived at the conclusion that, as so little room now remains for reducing the numbers of the Convenanted Civil Service, which may be said to represent the only permanent English official element in India, the importance of recruiting that Service with reference to the maintenance of English principles and methods of government cannot be over-rated, and that, therefore, the idea of holding a competitive examination for Native candidates for the Convenanted Service in India as well as in England is altogether inadmissible. The Government of your predecessor [Lord Dufferin] were unanimously of opinion that this view is correct, and I cannot better express my own conclusion than by quoting the words of their despatch:—‘The true principle on which the Commissioners have strongly insisted, is that conditions of open competitive examination should be framed with the object of securing candidates trained in the highest and best form of English education. . . .’”

Lord Ripon in 1884 and Lord Kimberley in 1885 expressed a similar opinion, the soundness of which, however, scarcely needs any authority to commend it.

28. But there is one more evil looming before the eyes of those responsible for the safety and good government of our Indian Empire which cannot be excluded from mention here. It is a delicate matter to seem even to hint at the possibility that a narrowing of the means of public servants might do even more than affect their efficiency. The record of the administration in India has for many years been one of singular purity and high-mindedness. As yet there is no reason to believe that the Services have forfeited that high prestige in this respect which was so eloquently eulogised by Baron Hübner, and has attracted the admiration of foreign students and observers of our Indian rule. But it would be uncandid on the part of the men who compose that administration, with all they know of the straits to which their brother-officers are being reduced and of the many temptations to which in an Asiatic society they are exposed, not to admit that, while they are assured of the honour and integrity with which the general body of the Civil and Military officers of India discharge their duties, there must, among so many thousands of men, be some whom the coincidence of privation with temptation will lead astray.

#### IV.

29. This, then, is the case which the Indian Civil and Military Services present for the consideration of Parliament and the country. Those most profoundly acquainted with the inner side of administrative life in India are those who are most keenly anxious about the danger of prolonging the strain to which its officials are now being subjected. The Indian Government cannot afford to run the risk of much longer delay in providing a remedy for the pauperisation of its servants. The Viceroy has so far admitted the urgency of the case as to have received a deputation of Civil and Military servants, a concession which is unprecedented in the history of Indian administration under the Crown, and is therefore significant. In his reply, as has already been stated, he admitted that "the Indian Government was convinced that it could not ask public servants to tolerate for an indefinite period the distress borne with so much self-command for some time past." But the Viceroy seems to be disposed to associate this question, which is above all one of administrative importance, with another question which is one purely of finance—the Currency question. He stated that the Government were awaiting the report of Lord Herschell's Committee, and intimated that to some extent the action of the Government in relation to the case presented in this Statement depended on the report. The Services contend and respectfully submit that whatever decisions may be adopted in relation to the currency, the case which has been presented in this Statement is urgent and ought to be decided on its merits. The equilibrium of Indian finance is a matter of the highest importance, but more grave and critical than the balancing of the revenue is the maintenance throughout India of administrative zeal, vigour and purity in every department of the Government.

## APPENDIX.

ON January 31 the Viceroy received an influential deputation on behalf of European officers in Government employment in India on the subject of the ruinous and disheartening effect caused by the fall in silver.

The following is a full list of the members of the Deputation and the Departments which were represented:—

JUDICIAL.—Hon. Mr. Justice J. F. Norris.  
 Hon. Mr. Justice W. Macpherson, C.S.  
 Mr. R. S. T. MacEwen, Judge Small Cause Court.

CIVIL SERVICE.—D. R. Lyall, Esq., C.S.I., Member of the Board of Revenue L.P.  
 Hon. H. J. S. Cotton, C.S.I., Chief Secretary to the Government of Bengal.  
 Hon. H. Lee, C.S., Chairman Calcutta Municipality.

MILITARY.—Brigadier-General F. Lance, C.B., commanding the Presidency.  
 Major-General A. Walker, R.A., I.S.C., Director-General of Ordnance.

ECCLESIASTICAL.—The Ven. Archdeacon W. MacCarthy.

ACCOUNTS.—R. E. Hamilton, Esq., Comptroller Indian Treasuries.

EDUCATION.—Dr. C. A. Martin, LL.D., Officiating Director Public Instruction, Bengal.  
 A. Pedler, Esq., F.R.S., Meteorological Reporter.

MARINE.—Captain A. Campbell, D.S.O., Deputy Director Indian Marine.

MEDICAL.—Surgeon-General W. R. Rice, M.D.  
 Deputy Surgeon-General J. G. Pilcher, F.R.C.S.

MINT.—Colonel A. W. Baird, R.E., Master of the Mint, Calcutta.

POLICE.—Hon. J. Lambert, C.I.E., Commissioner of Police.  
 A. V. Knyvett, Esq.

POST OFFICE.—A. U. Fanshawe, Esq., C.S., Director-General of Post Offices.  
 H. M. Kisch, Esq., C.S., Postmaster-General, Bengal.

SURVEY.—Colonel H. R. Thuillier, R.E., Surveyor-General of India.

TELEGRAPH.—W. R. Brooke, Esq., Director-General of Telegraphs.  
 C. E. Pitman, Esq., C.I.E., Chief Superintendent of Telegraphs.

PUBLIC WORKS.—Horace Bell, Esq., C.E., Consulting Engineer to the Government of India and officiating Director-General of State Railways.  
 C. W. Odling, Esq., C.E., Chief Engineer and Joint Secretary to the Government of Bengal.  
 S. Finney, Esq., Manager Eastern Bengal State Railway.

The deputation was introduced by Mr. Justice Norris. Mr. Horace Bell addressed his Excellency on behalf of the Public Works, the Telegraph, and other Departments, and the Ven. Archdeacon MacCarthy on behalf of the clergy.

The following statement was then submitted to his Excellency the Viceroy on behalf of the European civil and military officers of Government:—

### STATEMENT.

The European officers of the Government of Indian, civil and military, have sought this opportunity, through their representatives, of laying before your Excellency a plain statement of the losses and distress from which they are suffering in consequence of the recent rapid and heavy fall in exchange, in the earnest hope that the Government of India may be moved to adopt measures for their relief.

The salaries of the civil and military servants of the Crown in India were fixed for the most part at a time when the rupee was worth, approximately, two shillings, or with this rate in view. For a long time past it has fallen below this rate. In 1872 the value of the rupee was 23½*d.*; to-day it is 14½*d.*; the fall since the former year being about 8½*d.*, or 36 per cent. In recent years the fall has been very rapid and heavy, for, even as late as 1890-91, the average rate for the year was 18*d.*; and at the beginning of 1892 it was 17*d.* This disastrous fall in the value of the currency in which the officers of the Indian Government are paid, has affected all branches of the Service alike. For although the conditions of service are different in different branches, and all have not suffered in precisely the same manner or in the same degree, yet the differences are insignificant in comparison with the losses which all have suffered in common. Since 1886, when the depreciation of silver became acute, there has been a sharp and rapid rise in the price of almost all articles produced in India, including food, in the wages of servants, and in house-rent. In the same period the retail price of goods imported from Europe, on which a portion of our salaries is spent, has also risen largely from the same cause; and the prices paid for them increase with each successive fall in exchange.

We do not, however, desire to dwell at length on this part of the case. We mention it in order to show that the fall in the value of silver seriously affects us, even in our expenditure in India. What we wish to press most earnestly upon your Excellency's attention is the cruel and intolerable burden which has been laid upon us in respect of that portion of our expenditure which has to be incurred at home. Your Excellency is doubtless aware that if a European officer, whether soldier or civilian, is to render efficient service to Government in a tropical climate, it is necessary for him to take leave periodically to England to recruit his health. If he is to give his children an education

of the same stamp as he himself has received, he must send them to England to school. If he is to lay by a little money as an addition to his pension after retirement, or as a provision for his widow and others dependent on him after his death, he must be enabled to remit it to the country in which it will be spent. All these are as much the just and reasonable necessities of his position as the ability to provide himself with food and clothing from day to day. Yet it is the literal truth that, under present conditions, these moderate and reasonable requirements are beyond the reach of many, if not most, of your Excellency's European officers, and are becoming increasingly difficult for all.

We will not weary your Excellency with a long list of actual instances. A single typical case will suffice. We will take the case of an officer whose pay is Rs.800 a month, and who has a wife and two or three children to support at home. That sum represents the pay of a senior chaplain, of a second grade district superintendent of police, and of a second grade sub-deputy opium agent; and we would explain that, on the Bengal establishment, the average length of service of the officers now in those grades is sixteen years, twenty-nine years, and twenty-eight years respectively.

Such an officer's remittances to his family cannot, at a low estimate, be placed at less than £400 a year if his children are of an age requiring education. At the present rate of exchange that sum costs him more than Rs.6,500, thus leaving him Rs.258 a month for subsistence. After deduction of fund subscriptions and income-tax, he is left with less than Rs.200 a month to live on. Even in the case of men who have been fortunate in their promotion, or who are members of a higher paid branch of the service, and who receive pay of Rs.1,000 a month, the sum left for subsistence in India would amount to less than Rs.400 a month, after deductions as above. It is evident that such men cannot save; in fact, it is difficult for them to keep clear of debt. The case is still worse if the Government servant falls ill, or is for other reasons compelled to take leave. His maximum furlough pay is then Rs.6,000 a year, which, at the present rate of exchange, gives him only £367 a year on which to maintain himself and his family and educate his children. It is manifest that the prospect of having to subsist on such an allowance goes far towards neutralising the value of the furlough rules in the case of European officers.

But in the Indian Staff Corps, and in most of the large Civil Departments in India, an officer of from fifteen to twenty years' service seldom draws so much as Rs.800 to Rs.1,000 a month. After twenty years' service, an officer of the Staff Corps attains the rank of major, and receives, with allowances, about Rs. 900 per month; while, as a captain, his pay up to the completion of his twentieth year of service is, with allowances, less than Rs.600 per mensem. In the Public Works Department, the rank of executive engineer, 2nd grade, which is reached in about seventeen years' service, carries a pay of Rs.800 per month. In the other principal European Departments, officers of from fifteen to twenty years' service are commonly in receipt of salaries not exceeding Rs.600 to Rs.800 per month. The condition of these services is being subjected to a complete revolution, in consequence of the fall in exchange. Hitherto, an officer entering the Staff Corps or one of the great Civil Departments expected to retain his connection with his own country. He expected to be able to send his children home to be suitably educated; to take furlough to England from time to time, for the sake of his own health and also to visit his relatives and family; and finally to save a part of his pay, which, added to his pension, would enable him to live in comparative comfort after retirement. These just and reasonable expectations are now defeated. It is now utterly impossible for many, officers, even those who have been fortunate in their promotion, to afford the expense of educating their children at home. Every year men are being driven in increasing numbers to send their sons and daughters to hill schools, to deny themselves and their wives the advantage of a periodical visit to their own country, and to relinquish all expectation of saving a little money to eke out their pensions when they retire. Year by year, it is becoming plain that a larger and larger proportion of the men who accept Government service in India must abandon the hope of ever returning home. They must be content to settle permanently in India; while their children, receiving an inferior education and brought up amid un-English surroundings, sink to a lower social level and swell the mass of the unemployed white population, whose growth is already a source of great anxiety.

It is impossible to look for the indefinite continuance of faithful and contented work when the workers are placed in a position of anxiety and embarrassment deepening into despondency. There is happily, as yet, little cause to fear that any of those whom we represent may be led to fall away from the high standard of which both the Indian Government and its servants are justly proud. But your Excellency will, we are assured, be alive to the necessity of placing even the humblest of your European officers beyond the reach of temptation. And as it becomes more generally known that to the disadvantages inseparable from an Indian career there must now be added the prospect of poverty so great as to involve the possible severance of home ties, it can scarcely be doubted that her Majesty's Secretary of State will find it increasingly difficult to obtain fresh recruits for the Indian Services of the same stamp as at present.

Officers of the Civil Service and the Staff Corps are now beginning to find that their pensions after retirement, which are fixed in sterling, are worth almost as much as their salaries during active service, which are payable in rupees. These officers have thus every inducement to retire as soon as they have completed the minimum period of service required by the rules, thereby prematurely swelling the pension list, and impairing the efficiency of the public service by the early withdrawal of experienced officers still capable of active work.

Distressing as is our condition at present, and without prospect of amelioration unless your Excellency intervenes on our behalf, we dread that it may become even worse in the near future. The fall of silver has been far more rapid during the last five or six years than in the preceding period, and there are indications that it will soon be still further accelerated, and our condition go from bad to worse with each month that passes.

We pray your Excellency to take these matters into your favourable consideration, and secure for us such an adjustment of our salaries as will make them not less valuable to us than they were intended to be when they were fixed. In Ceylon, we understand that the pay of the civil servants of the colony was fixed several years ago at the rate of 1s. 10½d. to the rupee. We do not wish to define the precise form in which similar assistance might most suitably be granted to her Majesty's Indian servants, but would beg your Excellency to believe that we have not exaggerated our distress, and to grant to us the fullest measure of relief in such manner as your Excellency's advisers may think fit.



# The Indian Services and the Depreciation in the Rupee.

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## STATEMENT.

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Sir SEYMOUR KING, K.C.I.E., M.P., has given notice in the House of Commons of the following motion :—"To call attention to the grave and injurious consequences likely to ensue in the Civil and Military Services of the Indian Government from its failure to provide a compensation for the reduction of their salaries by the diminution of value in the rupee, and to move that a Select Committee be appointed to inquire into the matter."



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The Indian services and the depreciation



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